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DEPT FOR EUR/AGS AND EUR/OHI

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TAGS: [GM](#) [PGOV](#) [PREL](#)
SUBJECT: SPECIAL ENVOY OPPOSES GERMAN CHANGES TO SLAVE
LABOR FOUNDATION

REF: BERLIN 925

Classified By: Political M/C John Bauman for Reasons 1.4 (b) and (d)

11. (SBU) Summary: Special Envoy for Holocaust Issues, J. Christian Kennedy, met May 21 with the leader of a Jewish group in Berlin and parliamentary leaders of the CDU/CSU and SPD parties to exchange views about the proposed German government changes to the Board of Trustees of the German slave labor foundation (Remembrance, Responsibility, and Future Foundation) (reftel). The Foundation is transitioning into a new phase in which it will no longer handle Nazi-era slave labor payments, but will instead administer a Future Fund dedicated to Holocaust remembrance, tolerance education, and non-compensatory humanitarian projects. The German government has floated a proposal in which it would have greater control over the Foundation -- a proposal which the U.S., other countries, and Jewish groups oppose. Kennedy expressed U.S. opposition to this proposal, stressing that the U.S. requires a single board with a substantial international presence and role. End summary.

12. (C) The principal figures behind the push, according to Deidre Berger, Managing Director of the American Jewish Committee office in Berlin, are the group of German businesses that provides half the Foundation's funding, Board of Trustees Chairman Dieter Kastrup, and outgoing Foundation Executive Director Michael Jansen. They envisage a two-board structure instead of a unitary board. Under their plan all substantive policy-making would be made in an all-German Foundation Council. She added that these individuals have been successful in convincing Dieter Wiefelspuetz, MdB, an SPD Trustee, to work with them. Kennedy and Berger agreed that the U.S. should indicate to the German government its preference for the continuation of a single board with an international character.

13. (C) Kennedy informed Wolfgang Bosbach, CDU/CSU deputy parliamentary leader, of the U.S. position. Bosbach indicated that a drive to lower administrative costs is the main goal of efforts to revise the board structure. Bosbach shares German industry's view that costs should be reduced, but is also sympathetic to retaining a unitary board. He would agree, in principle, to retaining a single board if the number of members, travel costs, and meeting costs could all be significantly reduced. Kennedy suggested that all member countries should begin to pay their own travel costs, as the U.S. does, instead of drawing on Foundation funds. Acknowledging that it might prove difficult, Kennedy also suggested that the German side propose to the five Eastern European partner organizations currently on the board that they rotate three seats among the five. Both Kennedy and Bosbach agreed that the International Organization for

Migration no longer requires a seat on the board, since its role as a disbursing agency for slave labor funds is now over.

¶4. (C) The SPD's Wiefelspuetz was less agreeable to the U.S. view. He claimed that, since the work of the slave labor foundation has come to an end, the board structure should be revised to reflect the goals of the Future Fund, an entity funded by German industry and taxpayers. He questioned the need for a single board, said he does not wish a dispute with the U.S. on this issue, and concluded by saying that the final decision has not been made. Kennedy emphasized that the U.S. could support certain cost-saving measures, but would continue to insist on a single board, adding that international participation is necessary because the work of the Foundation takes place in many countries and because all nations are viewed as responsible for the Foundation's success.

¶5. (C) Kennedy informed the Embassy that following his visit, he spoke telephonically with Georg Witschel, the MFA Legal Adviser, Michael Jansen, Dieter Kastrup, and Private Sector Representative Manfred Gentz. All told Kennedy that they could live with a single or unitary board. Gentz qualified his statement, though, with the concern that the current foreign board members are too strongly focused on compensation and may not be able to move on to a project-oriented way of doing business.

¶6. (SBU) Comment: Our contacts indicate that the German government, in its desire to avoid confrontation with the U.S. on this issue, would ultimately defer to a strongly-held U.S. position. The June meeting of the Board of Trustees offers further opportunities to raise U.S. concerns with German officialdom, but also to impress German industry with our views. End comment.

TIMKEN JR